Chapter VI

Conclusion and Suggestions
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Conclusion

- Textile industry has not adopted supply chain management as a strategic practice, therefore the companies are not having separate department for supply chain management. Companies are practicing supply chain in partial.

- 90% of the organisations have functional area with their own strategy.

- The strategic fit between functional strategy and organisational strategy is only for 70% of the organisations.

- Majority of the companies are manufacturing functional products and very few are concentrating on functional and innovative both.

- In case of many organisations, there is no strategic fit between the supply chain selected and the products in which they are dealing.

- Textile companies are not practicing postponement either in terms of place, time of form.
• Majority of the respondents feel that the demand of their product is certain but the researcher feels that they should now change their perception.

• Transportation in terms of value addition is given lesser importance.

• Majority of the organisations are lean and still a considerable section is slow reactive, some of the organisations are agile too.

• Decoupling point for majority of the companies is away from the customer end.

• Sales force is aware of the supply chain of the companies but their level of awareness is very low.

• Majority of the companies are outsourcing. The outsourcing is carried out for support work rather than routine production.

• Companies are having many channel partners. This is because of less reliability on one supplier.

• Majority of the companies do not practice joint improvement programmes with the channel partners.
• In few organisations, there exists conflict resolution mechanism for suppliers.

• While selecting a supplier, the pricing of the product relative to the market is given first preference and the ability of supplier is given the least importance.

• For logistic system most emphasis is given to performance parameter and least to reliability.

• Inventory management practices are found to be suitable in the present context.

• Materials Requirement Planning is very less in practice.

• Organisations measure performance of supply chain.

• Integration in the supply chain increases the use value of the product.

• Integration in the supply chain decreases the customer cost.

• Integration creates feeling of responsibility among entities of the supply chain.

• Integration does not leave a scope to work in isolation.
- The delivery performance improvement occurs through better coordinated approach towards customer demand.

- Integration improves forecasting accuracy and increases the total customer delivered value.

- Majority of the organisations are using Information Technology in decision making.

- Information Technology is helping textile industries in synchronizing the operation, outsourcing and facilitating in designing.

- Internet and intranet are popular in the organisations.

- The information is available timely but the information in majority of the cases is of not right kind.

- Information Technology has improved the performance of the companies.

- Bhiwani Textile Mills has a separate logistics Department and they do not have a separate section to look after the supply chain activities.
• Each functional area has their own strategy and they have a strategic fit with the organisational objectives.

• Bhiwani Textile Mills is dealing in functional products at large and innovative products at a very small scale.

• Bhiwani Textile Mills is mainly in non customized products and very less in customized product.

• The supply chain of Bhiwani Textile Mills is market efficient, which in fit with the product category in which they are mainly dealing.

• Bhiwani Textile Mills has not adopted postponement strategy.

• The organisation is lean and responds quickly to the market changes.

• The sales force of Bhiwani Textile Mills is aware about the supply chain of the company.

• Bhiwani Textile Mills is practicing outsourcing as a strategic issue.

• There are less channel partners in the majority of the activities.

• The practice in Bhiwani Textile Mills in relation to the channel partners is quite satisfactory.
• In evaluating the supplier, Bhiwani Textile Mills is giving most importance to the supplier's defect free delivery.

• Logistics is considered as a strategic function in Bhiwani Textile Mills.

• They are having their own in house logistics system and only for export they have recently had third party logistics.

• Information Technology has gained a major importance in the operation of Bhiwani Textile Mills.

• The cycle time of Bhiwani Textile Mills is around 85-145 days.

• Selected Unit takes around 90 days to convert from fibre to fabric.

• The cycle time is quite large in Bhiwani Textile Mills as compared to the world standard of 45-65 days.

• Around 20% of the products for domestic markets are returned and around 3% from export market.

• The sample confirmation time is quite large. Sometimes it take 35 days to get a sample confirmed in BTM.
- People of Export and Ready Made Garment Department have to look towards the consignment, which has been booked to their respective customers.

- The decoupling point is based away from the customer end thereby limiting accurate information about the customer.

- There has been considerable change in the supply chain of the companies because of change in the industry.

- Earlier it would take longer period to get a supply but now this is done very quickly.

- The supply chain has moved from conventional to push and pull orientation.

- Control over the flow of materials is quite easy today.

- Coordination with the suppliers and customers has been on increase.

- Organisations are now more focusing on outsourcing and trying to take lean and agile shape and concentrate on their core activities.
Suggestions

- Textile industry must try to focus on strengthening their supply chain. They should broaden their Logistics or Distribution Department and encompass the supply chain activity broadening the scope of working of these departments.

- Organisations should try to intensify the strategic fit between the functional area and organisational objective.

- Organisations should go for a combination of innovative and functional product.

- Organisations should have a re-look to their supply chain and must mold it to suit as per the product category.

- Organisations must try to find out the scope of postponement strategy by finding the differentiating point.

- Organizations who are slow reactive must change themselves to quick responding organisations.

- Based on the demand patterns, organisations must focus to either agile or lean configuration.
• Sales force must be more oriented about the supply chain concept as they are the real people to solve the problems of the customer.

• Outsourcing must be taken as a strategic activity and concentration should be on core activity.

• Organisations must concentrate on few channel partners to increase a better coordination between them.

• Organisations must develop strategies so that the relationships with channel partners is intensified and gives a desired result in increasing the value of the product, at the same time decreasing the cost.

• Majority of the organisations select suppliers on the basis of pricing against market but they are advised to select supplier on their delivery performance and willingness to work together.

• Organisations need to concentrate more on other parameters like storage, mode of transportation and transportation handling equipments.
• Organisations should try to focus on Vendor Managed Inventory.

• In India organisations have to more intensify their integration with suppliers and customers.

• For getting the actual benefit of integration top management of companies have to change their attitude towards suppliers and customers. They should consider suppliers as co-makers.

• New incentives, resource-sharing approach with supplier chain customers should be brought out with focus to increase customer delivered value.

• Organisations, which do not find themselves very convergent with information technology, should take it seriously and should be receptive to this boon.

• Through information technology, one could get information timely but at the same time they should try to get right kind of information only. Pooling of unnecessary information may decrease the effectiveness of information technology.
• Information technology has increased the level of performance of the companies but they still have to go for advance software packages and adopt information technology in their tracking systems so that they could get right control on the consignment.

• The global market is now quota free for textiles and the scope of innovative products will be high and as it enjoys high profit margins. Bhiwani Textile Mills must put more emphasis on innovative products.

• Bhiwani Textile Mills must also focus on customized products as the market for ready made garments is expected to boom.

• The supply chain of Bhiwani Textile Mills fits with their functional products but they need also to focus on market responsive supply chain for their innovative and customised products.

• For some of the products where the demand becomes uncertain, they can think of going to postponement in terms of time or place.
• The awareness level of supply chain in the sales force must be more intensified so they could solve the logistical and other supply chain related problems of the customers.

• Bhiwani Textile Mills must focus on reducing the cycle time in accordance to the cycle time of textile companies world wide.

• Bhiwani Textile Mills needs to intensify logistics department with an orientation to supply chain management and must go for mapping their supply chain.
Suggestive Model of Supply Chain Management in Bhiwani Textile

Mills

Fig. No. 6.1 – Supply Chain Model for BTM (Internal)

Fig. No. 6.2 – Integrated Supply Chain Model for BTM

189
The Supply Chain Department besides the various logistical functions, it must practice the following for the internal as well as the external entities.

- It must understand the internal and external entities completely with an empathetic approach.
- Must try to solve the problems of the entities and help them wherever necessary.
- Coordination among different departments and ensuring strategic fit between the objectives of functional areas and organisation (fig. No. 6.1).
- Should form a virtual organisation outside BTM comprising of the SCM / Logistics Departments of suppliers and customers in case of exports and RMG (Fig. No. 6.2).
- In the case of domestic market it could replace the customers/logistic department by taking the customer itself.
- Must focus on joint improvement activities with customers and suppliers.
- Must supervise the suppliers and customers too.